

**REMARKS**

The October 20, 2008 Office Action requested the election of one of the following claim groups:

- I. Claims 1-7, 14-19, 20-26, 33-39, 40-42 and 64-67, drawn to performing a tax -deferred transaction involving an investor owning a relinquished property by exchanging said property for a replacement, transferring said replacement property to an operating partnership comprising operating units, and receiving operating units in exchange for replacement property, classified in class 705, subclass 36T.
- II. Claims 8-19, 27-39, drawn to performing a tax -deferred transaction involving an investor partnership by selling said relinquished property, transferring a first interest in the investor partnership to an operating partnership comprised of partnership units, receiving partnership units in exchange for first interest in investor partnership, obtaining a replacement property, and transferring a second interest in investor partnership to operating partnership in exchange for addition partnership units, classified in class 705, subclass 36T.
- III. Claims 43-48, 52-57, and 63-67, drawn to performing a tax -deferred transaction involving receiving a request for a replacement property, identifying a suitable property, exchanging relinquished property for identified property and transferring a first interest in said investor partnership to an operating partnership in exchange for operating partnership units, classified in class 705, subclass 36T.
- IV. Claims 49-51 and 63-67, drawn to performing a tax -deferred transaction involving receiving a request for a replacement property from an investor owning a relinquished property, identifying a replacement property, exchanging relinquished property with replacement property, calculating lease payment information and transferring said replacement property from investor to operating partnership in exchange for operating partnership units, classified in class 705, subclass 36T.
- V. Claims 58-67, drawn to performing a tax -deferred transaction involving transferring a first interest in an investor partnership to an operating partnership for operating partnership units, receiving a request for a replacement property, identifying a replacement property, exchanging relinquished property for replacement property, entering into an agreement to transfer a second interest in said investor partnership to an operating partnership in exchange for operating partnership units, classified in class 705, subclass 36T.

Office Action, pg. 2-3.

Applicants hereby elect with traverse, pursuant to 37 CFR 1.143, Group I. Claims 1-7, 14-19, 20-26, 33-39, 40-42, 64-67 and newly added claim 68 encompass elected Group I. Claims 1-7, 14-19, 20-26, 33-39, 40-42, 64-68 are now pending.

Notwithstanding the election with traverse, Applicants respectfully request reconsideration of the restriction requirement in light of the remarks that follow.

The undersigned's Remarks are preceded by related comments of the Examiner, presented in small bold-faced type font.

Applicants respectfully submit that the Office Action's restriction is not proper. The MPEP states the requirements for a restriction to be proper:

*803 Restriction - When Proper*

*Under the statute, the claims of an application may properly be required to be restricted to one of two or more claimed inventions only if they are able to support separate patents and they are either independent (MPEP § 802.01, § 806.06, and § 808.01) or distinct ( MPEP § 806.05 - § 806.05(j)).*

*If the search and examination of all the claims in an application can be made without serious burden, the examiner must examine them on the merits, even though they include claims to independent or distinct inventions.*

MPEP, § 803, emphasis added.

Applicants respectfully submit that the Office Action's restriction is not proper because: a) it has not established that the inventions identified are either independent or distinct and b) it has not established that the search and examination of all the claims in the current application cannot be made without serious burden.

a) The Office Action has not established that the inventions identified are either independent or distinct:

Applicants respectfully submit that the MPEP defines "distinct inventions" in the following manner:

*Related inventions are distinct if the inventions as claimed are not connected in at least one of design, operation, or effect (e.g., can be made by, or used in, a materially different process) and wherein at least one invention is PATENTABLE (novel and nonobvious) OVER THE OTHER (though they may each be unpatentable over the prior art). See MPEP § 806.05(c) (combination and subcombination) and § 806.05(j) (related products or related processes) for examples of when a two-way test is required for distinctness.*

MPEP, § 802.01, emphasis added.

Applicants respectfully submit that the Office Action has not established that the identified claim groups "are not connected in at least one of design, operation, or effect."

Moreover, Applicants respectfully submit that the Office Action has not provided an argument to support the conclusion that the claim groups it determines exist in the application are distinct. The Office Action simply provides a conclusory statement regarding each one of the groups. For Example, in relation to Group I, the Office Action states:

The subcombinations are distinct if they do not overlap in scope and are not obvious variants, and if it is shown that at least one subcombination is separately usable. In the instant case, subcombination II has separate utility such as selling a relinquished property instead of exchanging, transferring interest in an investor partnership instead of a replacement property. See MPEP § 806.05(d).

Office Action, pg. 3-4.

Applicants respectfully submit that subcombinations are not distinct from each other by merely showing that they are separately usable. The MPEP states when subcombinations are restrictable:

*806.05(d) Subcombinations Usable Together*

*Two or more claimed subcombinations, disclosed as usable together in a single combination, and which can be shown to be separately usable, are usually restrictable when the subcombinations do not overlap in scope and are not obvious variants.*

MPEP, § 806.5 (d), emphasis added.

The identification of the different groups is justified in the Office Action by reciting some limitations from claims without providing any further explanation. Applicants respectfully submit that these recitations do not conform with the MPEP requirements to provide the reasons for holding of distinctness:

*808.01 Reasons for Holding of Independence or Distinctness*

*The particular reasons relied on by the examiner for holding that the inventions as claimed are either independent or distinct should be concisely stated. A mere statement of conclusion is inadequate. The reasons upon which the conclusion is based should be given.*

MPEP, § 808.1, emphasis added.

Moreover, the MPEP further adds that:

*814 Indicate Exactly How Application Is To Be Restricted*

*The examiner must provide a clear and detailed record of the restriction requirement to provide a clear demarcation between restricted inventions so that it can be determined whether inventions claimed in a continuing application are consonant with the restriction requirement and therefore subject to the prohibition against double patenting rejections under 35 U.S.C. 121. Geneva Pharms. Inc. v. GlaxoSmithKline PLC, 349 F.3d 1373, 1381, 68 USPQ2d 1865, 1871 (Fed. Cir. 2003).*

MPEP, § 814.

Because the Office Action has not established that the subcombinations do not overlap in scope and are not obvious variants, for at least this reason, the Office Action has not established that the subcombinations are distinct. Thus, Applicants respectfully submit that the restriction requirement was improperly requested.

b) The Examiner has not established that the search and examination of all the claims in the current application cannot be made without serious burden.

In the Office Action, the Examiner has stated:

Restriction for examination purposes as indicated is proper because all these inventions listed in this action are independent or distinct for the reasons given above and there would be a serious search and examination burden if restriction were not required because one or more of the following reasons apply:

- (a) the inventions have acquired a separate status in the art in view of their different classification;
- (b) the inventions have acquired a separate status in the art due to their recognized divergent subject matter;
- (c) the inventions require a different field of search (for example, searching different classes/subclasses or electronic resources, or employing different search queries);
- (d) the prior art applicable to one invention would not likely be applicable to another invention;
- (e) the inventions are likely to raise different non-prior art issues under 35 U.S.C. 101 and/or 35 U.S.C. 112, first paragraph.

Office Action, pg. 10-11.

Applicants respectfully submit that the same MPEP Section that the Office Action has relied on to support the restriction, Section § 806.05(d) clearly states:

*Furthermore, restriction is only proper when there would be a serious burden if restriction were not required, as evidenced by separate classification, status, or field of search.*

MPEP, § 806.05(d), emphasis added.

Applicants respectfully submit that not only has the Office Action not provided any evidence to support that the claims in Groups I-VI belong to a separate classification, status, or field of search, but in fact, the Office Action assigns the same class (705) and subclass (36T) to all groups.

For at least the foregoing reasons, Applicants respectfully submit that the restriction required in the Office Action mailed on October 20, 2008 is improper, and therefore, Applicants respectfully request that it be withdrawn.

#### ***Claim Addition and Amendment***

Applicants respectfully submit that claim 68 has been added.

Claims 14-16, 18, 33-35, 37 and 64-67 have been amended as a consequence of the withdrawal of claims 8-13, 27-32 and 43-63 and the addition of claim 68.

No new matter has been added in either the amendments of the new claim.

**CONCLUSION**

Group I has been elected. Claims 8-13, 27-32 and 43-63 have been withdrawn. Claims 14-16, 18, 33-35, 37 and 64-67 have been amended. Claim 68 has been added. Claims 1-7, 14-19, 20-26, 33-39, 40-42 and 64-68 are now pending and are believed to be in condition for allowance. For the foregoing reasons, allowance of this application, as amended, is courteously urged. The Examiner is respectfully requested to reconsider the application at an early date with a view towards issuing a favorable action thereon. If upon the review of the application, the Examiner is unable to issue an immediate notice of allowance, he is respectfully requested to telephone the undersigned attorney at (212) 589-4611 with a view towards resolving the outstanding issues.

The Commissioner is authorized to charge any fees required in connection with this submission to Deposit Account No. 50-4581.

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Respectfully submitted,

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